



March 30, 2001

Honorable Robert O'Farrell  
Presiding Judge of the Superior Court – 2001  
Grand Jury – County of Monterey  
Salinas, CA 93902

Dear Judge O'Farrell:

RE: RESPONSE TO THE 2000 MONTEREY COUNTY CIVIL GRAND JURY

**BOARD OF EDUCATION**

Amy Funt  
Howard Given  
Dan Hightower  
Ernie Lostrom  
Annette Yee Steck

**SUPERINTENDENT**

Marvin Biasotti

I am writing in response to the Final Report of the 2000 Monterey County Civil Grand Jury, regarding the use of California State Lottery Funds in Monterey County.

As noted in the background section of the Grand Jury's report (page 23), the original law specified only that funds were not to be spent on acquisition of real property, construction of facilities, the financing of research, or other non-instructional purposes. Moreover, although it is recommended that lottery funds be used for non-recurring expenditures, the actual use is discretionary at the local level provided that the previously stated prohibitions are honored.

More recently, Proposition 20 was enacted into law in March 2000, requiring that half of any increase above the 1997-98 level of lottery disbursements be spent on instructional materials.

The Grand Jury's report further stated that no evidence was found that any lottery education reserves were being spent for prohibited purposes in Monterey County.

Our official response, as required by Penal Code Section 933.05, to the recommendations on page 25 of the 2000 Monterey County Civil Grand Jury report is as follows:

**Recommendation #1:** The County Superintendent and all Monterey County school districts receiving revenue from the California Lottery, verify that they have established and are maintaining separate accounts for the receipt and expenditure of these funds as required by Section 8880.5 of the California Government Code.

**District's Response:** This recommendation has been implemented since 1984, and has been certified each year by our independent CPA audit.

**Recommendation #2:** The County Superintendent and all Monterey County school districts review their accounting practices to facilitate tracking and compliance with the new requirements of California's Cardenas Textbook Act of 2000, as defined in Section 8880.4 of the California Government Code.

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LOCATION:  
4380 Carmel Valley Road

District's Response: This recommendation was implemented July 1, 2000, prior to the 2000 Monterey County Civil Grand Jury Report. The County Superintendent of Schools established a separate sub-fund to separately account for the required set-aside from each school district's lottery apportionment. Our district therefore routinely treats this set-aside as restricted funding that is used to supplement the existing limited textbook funding provided by the state.

We trust that this response satisfies the Grand Jury's requirement. Please feel free, however, to contact me at 624-1546, if additional information is needed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Marvin Biasotti", written in a cursive style.

Marvin Biasotti  
Superintendent

MB:ksw

cc: Susan Balesteri – Foreman 2000  
Dr. Bill Barr, County Superintendent of Schools  
Board of Education - Carmel Unified School District